



ARLINGTON FINANCE COMMITTEE
MINUTES OF MEETING
3/22/21 7:30 PM
Conducted by Remote Participation - Zoom Meeting

ATTENDEES:

Gibian		Padaria	p	Pokress		Kellar	p	McKenna	p
Blundell	I	Wallach	p	Harmer	p	Tosti	p		
Ellis	p	Foskett	p	Deyst		Kocur	p		
White		Beck	p	Jones	I	Deshler	p		
Franclemont	p	Howard	p	LaCourt	p	Carman	p	Diggins	p

p Indicates present, I indicates late

VISITORS: Michaiah Healy

1. INTRODUCTION: Foskett read the rules for the meeting as formulated by Town Counsel based on the Governor's authorization. An important rule is that all votes be by role call. Attendance was taken by roll call.
Note: A vote of "unanimous" means "unanimous vote by all present". The Chair votes only when there is a tie. Note that Warrant article numbers are written: ART New Number (Old Number)

2. MINUTES of 3/17/21 as revised approved unanimously.

3. ART 43 (43) ADUs Would it have a fiscal impact? Harmer to report.

4. DPW NATURAL RESOURCES: PubWks SubCom Deshler recommended this budget as printed.

VOTED 1,741,102 Unanimous

5. IT: Padaria walked the committee through the explanations he received to his questions about expenses. They are detailed in Ref 1. He recommended the budget as printed reduced by 10k from line 5353.

VOTED 1,093,811 Unanimous

6. ART 20(21) PUBLIC REMOTE PARTICIPATION: There was a general discussion. Since the wording in the warrant does not request an appropriation, the FinCom need not report. It probably is a SB article. It is not clear that \$20k is needed – alternative approaches are available. This is really a policy issue. The Town Manager said he does not support this article because he doubts that

the expense would be a good use of public money. The cost would be different for different committees.

VOTED to take no position. Unanimous. Carman to draft a friendly comment.

7. ART 66(73) TRAFFIC STUDY ON PARK AVE:

VOTE to table. 12,2 Howard to find out how TAC voted.

8. ART 25(27) REAL ESTATE TRANSFER: Some members think this is a good way to fund low income housing. Clearly it would have a fiscal impact. It would be a policy, not an appropriation.

VOTED to table until the SB votes. Unanimous. Tosti to follow up.

9. ART 70(24) TOWN CLERK STUDY: LaCourt provided a draft vote for affirmative action. Members questioned the format. Jones to help rewrite.

10. ART 24(26) RANKED CHOICE VOTING: This is a policy question though it may increase election costs.

VOTED to take no position. Unanimous

11. ART 51(55) PEG ACCESS BUDGET: Town Manager to provide info at future meeting.

12. ART 71(76) OPEB: Tosti moved to appropriate as in previous years \$300k from the Health Insurance Trust Fund; \$155k from the savings the Town realized when the SB increased the retiree's share of their health insurance; and \$480,633 that is the difference between \$500k and the non-contrib pensions expense.

VOTED \$935,633 14,0,1. McKenna abstained.

13. ART 72(77) PENSION ADJUSTMENTS: Tosti explained this annual article that authorizes the Retirement Board to maintain retirement income for employees with 25 years of service at 50% of the current salary for the position from which they retired. This is paid from the pension fund, not the general fund.

VOTED favorable action 14,0,1. McKenna abstained.

14. ART 22(23) EMAIL ADDRESSES FOR TOWN MEETING MEMBERS: Jones said the IT estimate is \$22k but he thinks it can be done for less. TMMS might not use the address because of privacy concerns. There are security concerns.

VOTED no action Unanimous. Jones to draft a comment.

15. RETIREMENT: The correct amount is 12,635,521 as voted 3/1/21.

16. ART 50(50) LOCAL OPTION TAX: Tosti reported that the Legislature has not provided any new options.

VOTED No action Unanimous

17. HEALTH INSURANCE: Fin SubCom Kellar recommended a revised budget (Ref 2). This budget is increased because the rates are larger than expected. The original budget is increased from last year because of the new teachers. There is also an allowance for the uncertainty in school enrolment. The offsets are explained in Ref 2.

VOTED \$19,670,350 14,0,1 McKenna abstained.

18. LIABILITY INSURANCE: Fin SubCom Kellar recommended a revised budget (Ref 3). The increase from FY21 is caused by rate increases and more occupied building spaces and especially because of unemployment claims.

VOTED \$542,375 Unanimous.

19. RESERVE FUND BALANCE: \$1,556,724

COMMITTEE: No meeting on 3/24 Candidates Night. Foskett announced that Carolyn White has resigned. He will propose Michaiah Healy to the Appointing Committee.

The meeting adjourned at 10:00 PM.

Peter Howard
3/23/21

Ref 1 Response to IT Questions

Ref 2 Group Health Insurance

Ref 3 Liability Insurance



Arif Padaria <arif.padaria@gmail.com>

Application(Permits, Modernization Initiative) proposal

Sandy Pooler <SPooler@town.arlington.ma.us>

Tue, Mar 16, 2021 at 4:35 PM

To: "arif.padaria@gmail.com" <arif.padaria@gmail.com>

Cc: David Good <dgood@arlington.k12.ma.us>, Dan Sheehan <DSheehan@town.arlington.ma.us>

Arif,

Here is David's e-mail with his answers in red.

I will get you the other information you were looking for separately.

Sandy

Sandy Pooler

Deputy Town Manager/Finance Director

Town of Arlington

[730 Massachusetts Avenue](#)[Arlington, MA 02476](#)

(781) 316-3002

Arlington values equity, diversity, and inclusion. We are committed to building a community where everyone is heard, respected, and protected.

From: Arif Padaria <arif.padaria@gmail.com>

To: David Good <DGood@town.arlington.ma.us>, [spooler@town.arlington.ma.us](#)Cc: Allan and Barbara Tosti <[abtosti@outlook.com](#)>, Arif Padaria <APadaria@arlingtonfincom.online>, Brian Beck <BBeck@arlingtonfincom.online>, Allan Tosti <ATosti@arlingtonfincom.online>, William Kellar <WKellar@arlingtonfincom.online>

Date: Fri, 12 Mar 2021 11:18:50 -0500

Subject: Re: Application(Permits, Modernization Initiative) proposal

CAUTION: This email originated from outside of the Town of Arlington's email system. Do not click links or open attachments unless you recognize the REAL sender (whose email address in the From: line in "< >" brackets) and you know the content is safe.

Hi David, Sandy,

putting this on the top of your inbox. Looking forward to getting your answers soon so that we can present it to the committee on Monday and getting the IT budget sorted/approved.

Thanks,

On Wed, Mar 10, 2021 at 7:23 AM Arif Padaria <arif.padaria@gmail.com> wrote:

Hi David,

Trust you are well. We presented the IT budget Monday night to the FinCom. There were several questions that require your input/clarification.

I've noted them below and have also included Sandy Pooler so that he may address any issues relating to the budget.

Hi, Sandy, please read through all items as you may have input to each;

Hi ArlingtonFinCom Finance Sub Committee members - Al Tosti, Bill and Brian, please review and add/correct any questions that I may have missed or mis-stated. Thanks.

David & Sandy,

Thanks for a speedy response. While it may take longer (and that's OK) , I wanted to note that if we get the answers before 7.30pm tonight that would be great and we will be able to present them during our FinCom

meeting tonight and perhaps help resolve matters and vote on the IT budget.

(1) ICS - several of the committee members have been hearing about ICS being retired for the last 3-4 years. what is the timeline for ICS truly "going away"?

When all of the ICS Modules are converted to Munis and implemented ICS can be sunset. The last ICS Module(Water and Sewer) should be converted to Munis Utility Billing during Q4-2021.

(2) Informix - also and importantly, the backend to ICS - Informix. When will that be retired? You had mentioned that there is a need for the "Utility billing to become stable" before this happens. However, there was no concrete timeline stated. The FinCom would like to have a retirement/sunset date for ICS and Informix in writing. Please provide.

When all of the ICS Modules are converted to Munis and implemented Incformex can be sunset. The last ICS Module(Water and Sewer) should be converted to Munis Utility Billing during Q4-2021

(3) Line #5305 : Software Maintenance. for which the 2022 budget says \$109,210 an increase of \$61,210 (127.52% increase).

Please break this down and explain the spend in this line item.

Current Spend:

\$26,379.96	Datto Cloud Hosted Server Imaging and Backup Software
\$ 2,405.00	Desktop Authority Remote Delivery Software
\$ 3,430.00	APC Symmetra UPS License Renewal
\$ 3,200.00	Untangle Firewall/Intrusion Detection License Renewal
\$ 4,690.00	Webroot Antivirus License Renewal
\$ 5,088.00	Barracuda Archiver License Renewal
\$ 1,799.10	Jitbit Helpdesk Software License Renewal
\$ 724.50	Mdaemon Email System License Renewal
\$47,716.56	Total

Also and importantly we feel that this line item is mis-classified (as are many others in this budget) - as this is not truly Software Maintenance as it includes Software purchase, Recurring costs and the like. When will that nomenclature be addressed?

I believe we can do the research and make distinctions between Licensing and Maintenance for FY22-23

Note: from your prior email about this I can understand :

For the five Major department issuers of permits(Inspectional Services, Health and Human Services, Planning Dept., Zoning board of Appeals, and the Select Board) there would be a one time cost of the module for each Department of approx \$20k each and then an \$7k to \$8k licensing cost going forward. There are some additional costs like Online Payments Integration, GIS Integration, Automated Assessor Data updates that are smaller one time and annual costs.

Total layout of monies needed for the 5 Departments mentioned above is \$175,070.00 This estimate includes \$6k for the writing of two tablet Apps for Health and Human Services and Inspectional Services Modules and API's written to integrate with the GIS and the Assessors Data Bases

Applications and Permits Program is funded from:

Capital Budget Request for \$132,860.00 and the \$42k from FY21/22 Operating Budget

We applied for a Community Development Grant but where not selected so we are requesting \$42k from our Operating Budget in account 5305 as part of the \$62k increase

The remaining \$20k remaining from the increase of \$62k is for Office 365 Licenses.

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so is this where the \$109k is coming from == \$20k x 5 department = \$100k + \$7-8k + incidentals. Is that it? You had mentioned that there was a cost of \$25k for Office 365 - how is that represented? So, in short, please provide a comprehensive breakdown of this line item #5305.

(4) Line #5353: Munis Software Support. First you had mentioned that this budget was \$10k overstated. So we plan to remove that \$10k from this budget. **True**
Second, you had mentioned that there was a hosting agreement that was being signed (imminently) - and that would provide a payback/credit of up to \$52k (\$13.6 x 4 months) for the maintenance that was pre-paid for the on-prem Munis software that would no longer be charged once moved online.

So, the question asked by our FinCom is : Should we not reduce the budget for line #5353 by \$52k (additional not including the \$10k mentioned prev)? and if not, why not?

We should have the Munis SaaS Contract back from legal this week. We then should qualify for 3 Months @ \$13.6k or \$40.5k. I would request that we keep this money to pay any consulting costs as a result of paying Charles Norton or Eric Wilde Consulting dollars for Software Support. Charles also Supports the Assessors Patriot Properties System, Inspectional Services System(which is a revenue generator for the Town), Police Dept. TicketTrack System and a number of other processes that are under review.

(5) In the Salary section - the position for the new IT Director was being advertised at \$124k and not \$153.7k (as was noted during our meeting...as we wondered why it was at the top of the Grade Salary table). So, the question is: Is that really what the Salary detail should reflect - what is the true update for that line?

And more importantly, do you believe you will be able to attract individuals at this Salary? What is the realistic number? Please provide.

(6) Given all the spend on the Applications, Hosting and software automation in general that is continuing to happen in our Town Systems (great stuff btw)...that should reduce the number of personnel required; and thus would we not see a reduction in Salaries and HeadCount? (This is certainly a topic that Sandy can/should review and provide an answer).

(7) There was a presentation by Elizabeth Dray (during our meeting on Monday 3/8) - where she, via a Warrant article 21 , wanted monies to be appropriated for Remote Meeting participation. The question from FinCom is : does this money need to be appropriated or can this effort be absorbed by the IT Department?

The Government O365 licenses do not allow the purchase of licenses for Non-Employees. I believe the cost for 250 licenses for Town Meeting Members was between \$20k and \$25k.

Sandy and Sayed should Clarify

Regards, Arif

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	\$ Change	% Change
0191487 GROUP HEALTH INSURANCE						
5245 EXP: WORKERS COMP	536,418	500,679	540,000	540,000	0	0.00%
5700 MEDICARE PENALTY	14,377	12,610	18,000	15,000	(3,000)	-16.67%
5703 OPT OUT PROGRAM	211,533	227,018	219,997	217,996	(2,001)	-0.91%
5704 INSURANCE:GROUP HEALTH	14,454,558	15,602,975	16,762,497	18,046,412	1,283,915	7.66%
5705 INSURANCE: GROUP LIFE	76,211	85,192	90,542	95,069	4,527	5.00%
5706 MEDICARE PAYROLL TAX	1,209,887	1,372,798	1,415,143	1,490,992	75,849	5.36%
5709 FLEXIBLE BENEFIT PLAN	38,643	39,029	38,880	38,880	0	0.00%
0191487 GROUP HEALTH INSURANCE APPROPRIATION TOTAL	16,541,626	17,840,302	19,085,059	20,444,349	1,359,290	7.12%
OFFSETS	(670,956)	(703,268)	(708,089)	(773,999)	(65,910)	9.31%
0191487 GROUP HEALTH INSURANCE TAXATION TOTAL	15,870,670	17,137,034	18,376,970	19,670,350	1,293,380	7.04%

Health Insurance Offsets Calculation FY 2022

		FY22 Health Cost	Recommended Offset Percent	FY-22 Offset
1)	Select Board	114,350	15.06%	17,216
2)	Town Manager	65,879	15.06%	9,919
3)	Personnel	24,683	15.06%	3,717
4)	Information Technology	135,006	15.06%	20,326
5)	Comptroller	122,083	15.06%	18,380
6)	Treasurer/Collector	149,745	15.06%	22,545
7)	Legal	89,230	15.06%	13,434
8)	Administration	178,308	50.00%	89,154
9)	Engineering	178,308	62.00%	110,551
10)	Highway (without S.Waste)	382,022	20.00%	76,405
11)	MER	145,465	30.00%	43,640
12)	Water Division	221,044	100.00%	221,044
13)	Total 1) - 12)			646,331
14)	HEALTH Offset - Sewer (50% of #13)			323,166
15)	HEALTH Offset - Water (50% of #13)			323,166
	Water & Sewer Enterprise Subtotal			646,332
Other Insurance Costs charged directly to Enterprise Fund & Retirement Office				
	Recreation	54,189	1.0000	54,189
	Ed Burns Arena	28,240	1.0000	28,240
	Retirement	45,238	1.0000	45,238
	Other Enterprise & Retirement Subtotal			127,667
	Total Health Insurance Offset			773,999

Note: Departmental health insurance costs include current employees and retirees

FY2020 Group Health Projection

FY 2021 Appropriation	Expended year to date		Projected Total FY2021	Anticipated Projected Balance
\$ 18,000.00	\$ 8,311.26	medicare penalty	\$ 12,469.26	\$ 5,530.74
\$ 219,997.00	\$ 129,821.47	opt out program	\$ 217,690.40	\$ 2,306.60
\$ 16,762,497.00	\$ 10,992,397.40	group health	\$ 16,592,397.40	\$ 170,099.60
\$ 1,415,143.00	\$ 892,309.28	medicare withhold	\$ 1,428,309.28	\$ (13,166.28)
\$ 90,542.00	\$ 56,355.75	group life	\$ 84,677.50	\$ 5,864.50
\$ 38,800.00	\$ 84,677.50	flex/hra admin fee	\$ 38,622.99	\$ 177.01
\$ 18,544,979.00	\$ 12,163,872.66		\$ 18,374,166.83	\$ 170,812.17

Month	Medicare Penalty	Opt Out	Group Life	Flex/HRA Admin	Group Health	Medicare Withhold
July	\$ 1,055.58	\$ 9,045.95	\$ 7,024.05	\$ 785.75	\$ 1,398,484.78	\$ 69,167.01
August	\$ 1,041.12	\$ 11,692.16	\$ 6,974.55		\$ 1,379,525.49	\$ 93,603.07
September	\$ 1,041.12	\$ 28,228.80	\$ 6,870.60		\$ 1,367,254.70	\$ 103,990.52
October	\$ 1,041.12	\$ 12,959.52	\$ 6,915.15	\$ 4,553.64	\$ 1,345,397.56	\$ 119,619.19
November	\$ 1,041.12	\$ 11,728.80	\$ 6,920.10	\$ 3,239.30	\$ 1,370,713.29	\$ 108,852.09
December	\$ 1,012.20	\$ 32,708.64	\$ 7,137.90		\$ 1,374,113.80	\$ 171,781.99
January	\$ 1,039.50	\$ 11,728.80	\$ 7,182.45	\$ 3,268.50	\$ 1,370,262.95	\$ 113,238.40
February	\$ 1,039.50	\$ 11,728.80	\$ 7,330.95		\$ 1,386,644.83	\$ 112,057.01
March	\$ 1,039.50	\$ 29,613.40	\$ 7,172.55	\$ 6,693.95	\$ 1,400,000.00	\$ 122,000.00
April	\$ 1,039.50	\$ 12,190.32	\$ 7,108.20	\$ 6,693.95	\$ 1,400,000.00	\$ 122,000.00
May	\$ 1,039.50	\$ 16,977.84	\$ 6,905.25	\$ 6,693.95	\$ 1,400,000.00	\$ 170,000.00
June	\$ 1,039.50	\$ 29,087.37	\$ 7,135.75	\$ 6,693.95	\$ 1,400,000.00	\$ 122,000.00
YTD Actual	\$ 8,311.26	\$ 129,821.47	\$ 56,355.75	\$ 18,541.14	\$ 10,992,397.40	\$ 892,309.28
EOY Projected	\$ 12,469.26	\$ 217,690.40	\$ 84,677.50	\$ 38,622.99	\$ 16,592,397.40	\$ 1,428,309.28

Updated 03/18/2021

ENROLLMENT BREAKDOWN OF GIC PLANS DECEMBER 2019 TO DECEMBER 2020

FY21						
Plan Name	Premium	Town	Employee		20-Dec	December 19
FALLON DIRECT FAMILY	1561.48	1327.26	234.22	-1.00	4	5
FALLON DIRECT FAMILY 75/25	1561.48	1171.11	390.37	1.00	4	3
FALLON DIRECT INDIVIDUAL	618.59	525.80	92.79	1.00	6	5
FALLON DIRECT INDIVIDUAL 75/25	618.59	463.94	154.65	-3.00	14	17
FALLON DIRECT SURVIVOR INDIVIDUAL - 50/50	618.59	309.30	309.30	0.00	0	0
FALLON SELECT FAMILY	2033.04	1728.08	304.96	1.00	6	5
FALLON SELECT FAMILY 75/25	2033.04	1524.78	508.26	0.00	1	1
FALLON SELECT INDIVIDUAL	836.19	710.76	125.43	-1.00	5	6
FALLON SELECT INDIVIDUAL 75/25	836.19	627.14	209.05	1.00	6	5
HARVARD INDEPENDENCE FAMILY	2239.19	1791.35	447.84	-4.00	78	82
HARVARD INDEPENDENCE FAMILY- 75/25	2239.19	1679.39	559.80	1.00	26	25
HARVARD INDEPENDENCE INDIVIDUAL	917.18	733.74	183.44	-9.00	55	64
HARVARD INDEPENDENCE INDIVIDUAL- 75/25	917.18	687.89	229.30	0.00	20	20
HARVARD INDEPENDENCE SURVIVOR FAMILY - 50/50	2239.19	1005.55	1005.55	0.00	1	1
HARVARD INDEPENDENCE SURVIVOR INDIVIDUAL - 50/50	917.18	458.59	458.59	0.00	1	1
HARVARD PRIM CHC FAMILY	1697.02	1442.47	254.55	-3.00	83	86
HARVARD PRIM CHC FAMILY 75/25	1697.02	1272.77	424.26	1.00	41	40
HARVARD PRIM CHC INDIVIDUAL	665.43	565.62	99.81	-3.00	34	37
HARVARD PRIM CHC INDIVIDUAL 75/25	665.43	499.07	166.36	-6.00	51	57
HARVARD PRIM CHC SURVIVOR INDIVIDUAL - 50/50	665.43	332.72	332.72	0.00	0	0
HEALTH NEW ENG FAMILY	1356.54	1153.06	203.48	0.00	0	0
ALLWAYS/NHP CARE FAMILY	1789.45	1521.03	268.42	0.00	26	26
ALLWAYS/NHP CARE FAMILY 75/25	1789.45	1342.09	447.36	-1.00	20	21
ALLWAYS/NHP CARE INDIVIDUAL	687.87	584.69	103.18	2.00	12	10
ALLWAYS/NHP CARE INDIVIDUAL 75/25	687.87	515.90	171.97	5.00	31	26
TUFTS NAVIGATOR FAMILY	1951.46	1561.17	390.29	-1.00	94	95
TUFTS NAVIGATOR FAMILY-75/25	1951.46	1463.60	487.87	9.00	61	52
TUFTS NAVIGATOR INDIVIDUAL	799.04	639.23	159.81	-2.00	53	55
TUFTS NAVIGATOR INDIVIDUAL-75/25	799.04	599.28	199.76	1.00	61	60
TUFTS NAVIGATOR SURVIVOR INDIVIDUAL- 50/50	799.04	399.52	399.52	0.00	3	3
TUFTS SPIRIT FAMILY	1461.55	1242.32	219.23	0.00	13	13
TUFTS SPIRIT FAMILY 75/25	1461.55	1096.16	365.39	-1.00	17	18
TUFTS SPIRIT INDIVIDUAL	606.68	515.68	91.00	1.00	13	12
TUFTS SPIRIT INDIVIDUAL 75/25	606.68	455.01	151.67	7.00	52	45
UNICARE BASIC FAMILY	2582.71	1937.03	645.68	2.00	16	14
UNICARE BASIC INDIVIDUAL	1163.76	872.82	290.94	0.00	29	29
UNICARE COMM CHC FAMILY	1368.05	1094.44	273.61	-1.00	13	14
UNICARE COMM CHC FAMILY 75/25	1368.05	1026.04	342.01	2.00	20	18
UNICARE COMM CHC INDIVIDUAL	552.57	442.06	110.51	-2.00	7	9
UNICARE COMM CHC INDIVIDUAL 75/25	552.57	414.43	138.14	6.00	25	19
UNICARE PLUS FAMILY	1722.50	1378.00	344.50	-4.00	17	21
UNICARE PLUS FAMILY 75/25	1722.50	1291.88	430.63	-1.00	13	14
UNICARE PLUS INDIVIDUAL	723.74	578.99	144.75	0.00	12	12
UNICARE PLUS INDIVIDUAL 75/25	723.74	542.81	180.94	4.00	23	19
Active Plans				2.00	1,087	1,065
FALLON SENIOR PLAN	0.00	0.00	0.00	0.00	0	0
HARVARD MEDICARE SENIOR PLAN	404.04	303.03	101.01	2.00	361	359
TUFTS MED COMPLT SENIOR PLAN	383.88	326.30	57.58	2.00	114	112
TUFTS MED PREFER SENIOR PLAN	325.13	276.36	48.77	-4.00	58	62
UNICARE OME	399.86	299.90	99.97	-15.00	368	383
Medicare Supplements				-15.00	901	916
Opt Out - Individual	166.66	166.66		-2.00	27	29
Opt Out - Family	333.33	333.33		0.00	41	41
Grand Total				-15.00	2,036	2,051
Opt Out Savings	Full	Town Share	Months			
HARVARD INDEPENDENCE FAMILY	2171.49	1737.19	12			
HARVARD INDEPENDENCE INDIVIDUAL	889.65	711.72	12			

GIC	Town Share	Employee Share	Admin Fee	Adjustments	Total owed	Amount Paid	due	Date Paid	Warrant#	Warrant Date
FY2020	0191487-5704	01-2159								
Jul-20	1,392,703.87	401,115.50	6,278.37	1,167.51	1,801,265.25	1,801,265.25	7/23/20	7/22/20	21023	7/23/20
Aug-20	1,374,441.17	415,112.35	6,263.44	356.45	1,796,173.41	1,796,173.41	8/20/20	8/19/20	21053	8/20/20
Sep-20	1,361,790.55	396,222.61	6,153.04	-3,417.25	1,760,748.95	1,760,748.95	9/18/20	9/17/20	21076	9/17/20
Oct-20	1,338,736.64	409,245.60	6,117.94	-2,335.69	1,751,764.49	1,751,764.49	10/23/20	10/22/20	21097	10/22/20
Nov-20	1,366,074.06	398,260.52	6,175.17	-1,976.44	1,768,533.31	1,768,533.31	11/26/20	11/24/20	21133	11/25/20
Dec-20	1,359,023.71	415,121.28	6,209.51	-2,292.01	1,778,062.49	1,778,062.49	12/24/20	12/22/20	21152	11/23/20
Jan-21	1,381,090.28	402,150.74	6,241.34	-21,752.61	1,767,729.75	1,767,729.75	1/21/21	1/20/21	21181	1/21/21
Feb-21	1,383,565.08	403,874.07	6,256.04	-2,277.28	1,791,417.91	1,791,417.91	2/26/21	2/25/21	21206	2/25/21
Mar-21	1,386,381.57	401,399.33	6,257.23	4,318.53	1,798,356.66	1,798,356.66	4/1/21			
Apr-21					0.00	0.00				
May-21					0.00	0.00				
Jun-21					0.00	0.00				
FY19	12,343,806.93	3,642,502.00			16,014,052.22	16,014,052.22				
	Town Share	Employee Share	Admin Fee	Adjustments	Total owed	Total Paid				

1,787,780.90

Group Insurance Commission - Full Cost Rates

Health Plan	FY21 Full Cost Rates		FY22 Full Cost Rates		% Change	
	Individual Coverage	Family Coverage	Individual Coverage	Family Coverage	Individual Coverage	Family Coverage
UniCare State Indemnity Plan/Basic with CIC	\$1,163.76	\$2,582.71	\$1,204.17	\$2,674.11	3.5%	3.5%
UniCare State Indemnity Plan/PLUS	\$723.74	\$1,722.50	\$781.99	\$1,866.72	8.0%	8.4%
Tufts Health Plan Navigator	\$799.04	\$1,951.46	\$836.65	\$2,045.93	4.7%	4.8%
Fallon Health Select	\$836.19	\$2,033.04	\$862.99	\$2,100.58	3.2%	3.3%
Harvard Pilgrim Independence Plan	\$917.18	\$2,239.19	\$964.26	\$2,356.13	5.1%	5.2%
Health New England	\$594.29	\$1,414.80	\$630.33	\$1,504.45	6.1%	6.3%
AllWays Health Partners	\$687.87	\$1,789.45	\$767.96	\$2,005.69	11.6%	12.1%
UniCare State Indemnity Plan/Community Choice	\$552.57	\$1,368.05	\$593.83	\$1,475.84	7.5%	7.9%
Tufts Health Plan Spirit	\$606.68	\$1,461.55	\$638.72	\$1,541.91	5.3%	5.5%
Fallon Health Direct	\$618.59	\$1,561.48	\$637.52	\$1,611.71	3.1%	3.2%
Harvard Pilgrim Primary Choice Plan	\$665.43	\$1,697.02	\$697.95	\$1,781.96	4.9%	5.0%
Tufts Health Plan Medicare Preferred	\$325.13		\$332.70		2.3%	
Tufts Health Plan Medicare Complement	\$383.88		\$392.59		2.3%	
Harvard Pilgrim Medicare Enhance	\$404.04		\$413.42		2.3%	
Health N E Medicare Supplement Plus	\$404.80		\$414.18		2.3%	
UniCare State Indemnity Plan/Medicare Extension	\$399.86		\$408.84		2.2%	

HEALTH INSURANCE RATES - JULY 1, 2021 GIC
RATES UPDATED

FY22

HEALTH PLANS		Plans for: Current Employees							Plans for:							Plans For: All New Hires after 12/1/2011							Survivor Monthly Rate	"Cobra" Monthly Rates Includes 2% Admin Fee
		(15% Contribution for HMO's)							(20% Contributions for PPO's/POS's)							(25% Contribution for Indemnity Plans)								
		Monthly Rate	Town Monthly Rate	Employee Monthly Rate	Town Weekly Rate *	Employee Weekly Rate	Town BiWeekly Rate *	Employee Bi Weekly Rate	Town Monthly Rate	Employee Monthly Rate	Town Weekly Rate *	Employee Weekly Rate	Town BiWeekly Rate *	Employee BiWeekly Rate	Town Monthly Rate	Employee Monthly Rate	Town Weekly Rate *	Employee Weekly Rate	Town BiWeekly Rate *	Employee Bi-Weekly Rate				
Fallon Comm Dir.Care-Ind.		637.52	541.92	95.60	135.48	23.90	270.96	47.80	0.00	0.00	0.00	0.00	0.00	0.00	478.16	159.36	119.54	39.84	239.08	79.68	318.76	650.27		
Fallon (Comr Dir.Care-Family		1,611.71	1,369.99	241.72	342.50	60.43	685.00	120.86	0.00	0.00	0.00	0.00	0.00	0.00	1,208.79	402.92	302.20	100.73	604.40	201.46	805.85	1,643.94		
Fallon Comm Select- Ind.		862.99	733.55	129.44	183.39	32.36	366.78	64.72	0.00	0.00	0.00	0.00	0.00	0.00	647.27	215.72	161.82	53.93	323.64	107.86	431.49	880.25		
Fallon Comm Select- Ind.	Family	2,100.58	1,785.50	315.08	446.38	78.77	892.75	157.54	0.00	0.00	0.00	0.00	0.00	0.00	1,575.46	525.12	393.87	131.28	787.73	262.56	1,050.29	2,142.59		
HA Pilg.Prim.Choice-Ind.		697.95	593.27	104.68	148.32	26.17	296.64	52.34	0.00	0.00	0.00	0.00	0.00	0.00	523.47	174.48	130.87	43.62	261.74	87.24	348.97	711.91		
HA Pilg.Prim. Choice -	Family	1,781.96	1,514.68	267.28	378.67	66.82	757.34	133.64	0.00	0.00	0.00	0.00	0.00	0.00	1,336.48	445.48	334.12	111.37	668.24	222.74	890.98	1,817.60		
Health New England- Ind.		630.33	535.81	94.52	133.96	23.63	267.91	47.26	0.00	0.00	0.00	0.00	0.00	0.00	472.77	157.56	118.20	39.39	236.39	78.78	315.16	642.94		
Health New England- Ind.	Family	1,504.45	1,278.81	225.64	319.71	56.41	639.41	112.82	0.00	0.00	0.00	0.00	0.00	0.00	1,128.37	376.08	282.10	94.02	564.19	188.04	752.22	1,534.54		
Allways Health Partners-Ind.		767.96	652.80	115.16	163.20	28.79	326.40	57.58	0.00	0.00	0.00	0.00	0.00	0.00	576.00	191.96	144.00	47.99	288.00	95.98	383.98	783.32		
Allways Health Partners-Family		2,005.69	1,704.85	300.84	426.22	75.21	852.43	150.42	0.00	0.00	0.00	0.00	0.00	0.00	1,504.29	501.40	376.08	125.35	752.15	250.70	1,002.84	2,045.80		
Tufts Hlth Plan Spirit - Ind.		638.72	542.92	95.80	135.73	23.95	271.46	47.90	0.00	0.00	0.00	0.00	0.00	0.00	479.04	159.68	119.76	39.92	239.52	79.84	319.36	651.49		
Tufts Hlth Plan Spirit- Family		1,541.91	1,310.63	231.28	327.66	57.82	655.32	115.64	0.00	0.00	0.00	0.00	0.00	0.00	1,156.47	385.44	289.12	96.36	578.24	192.72	770.95	1,572.75		
Harvard Pilgrim Ind.PI-Ind.		964.26							771.42	192.84	192.86	48.21	385.71	96.42	723.22	241.04	180.81	60.26	361.61	120.52	482.13	983.55		
Harvard Pilg. Ind.PI-Family		2,356.13							1,884.93	471.20	471.24	117.80	942.47	235.60	1,767.13	589.00	441.79	147.25	883.57	294.50	1,178.06	2,403.25		
Tufts Hlth PI.Navigato-Ind.		836.65							669.33	167.32	167.34	41.83	334.67	83.66	627.49	209.16	156.88	52.29	313.75	104.58	418.32	853.38		
Tufts Hlth PI.Navigato-Family	Fam.	2,045.93							1,636.77	409.16	409.20	102.29	818.39	204.58	1,534.45	511.48	383.62	127.87	767.23	255.74	1,022.96	2,086.85		
Unicare Comm. Choice- Ind.		593.83							475.07	118.76	118.77	29.69	237.54	59.38	445.39	148.44	111.35	37.11	222.70	74.22	296.91	605.71		
Unicare Comm. Choice- Fam.		1,475.84							1,180.68	295.16	295.17	73.79	590.34	147.58	1,106.88	368.96	276.72	92.24	553.44	184.48	737.92	1,505.36		
Unicare Indemn.Plus- Ind.		781.99							625.63	156.36	156.41	39.09	312.82	78.18	586.51	195.48	146.63	48.87	293.26	97.74	390.99	797.63		
Unicare Indemn.Plus-Fam.		1,866.72							1,493.40	373.32	373.35	93.33	746.70	186.66	1,400.04	466.68	350.01	116.67	700.02	233.34	933.36	1,904.05		
Unicare Basic w/cic- Ind.		1,204.17													903.13	301.04	225.79	75.26	451.57	150.52	602.08	1,228.25		
Unicare Basic w/cic - Family		2,674.11													2,005.59	668.52	501.40	167.13	1,002.80	334.26	1,337.05	2,727.59		
Unicare Basic w/o cic-Ind.		1,143.57													857.69	285.88	214.43	71.47	428.85	142.94	571.78	1,166.44		
Unicare Basic w/o cic - Family		2,536.14													1,902.14	634.00	475.54	158.50	951.07	317.00	1,268.07	2,586.86		

Town Retirees and Mass Teachers - Medicare Plans
GIC HEALTH INSURANCE RATES - JULY 1, 2021

FY22

[illegible]

Account Inquiry [TOWN OF ARLINGTON]

Back Search Browse Output Print Display PDF Save Excel Word Email Schedule Attach Detail Months Seg Find Totals User Defined Fields

Account

Acct	8860	...	HCTF	Acct	8860-0-0000-0000-00-00-0-NM-1040
Acct	886	...	HEALTH CLA	Acct name	CASH
Acct	1040	...	CASH	Type	Balance Sheet
Acct		...		Status	Active
Acct		...		Rollup	
Acct		...		Sub-Rollup	
				<input type="checkbox"/> MultiYr Fund	

Account Notes

YEAR COMPARISON | CURRENT YEAR | HISTORY | 4 YEAR GRAPH | HISTORY GRAPH

Per 2021/02	Fiscal Year 2021		Fiscal Year 2020		Fiscal Year 2019		Fiscal Year 2022	
Original Budget	.00		.00		.00		.00	
Reversals In	.00		.00		.00		.00	
Reversals Out	.00		.00		.00		.00	
Used Budget	.00		.00		.00		.00	
Actual (Memo)	2,040,448.45		2,316,674.50		1,998,926.67		.00	
Commodities	.00		.00		.00		.00	
Acquisitions	.00						.00	
Debt	.00		.00		.00		.00	
Cost used	.00		.00		.00		.00	

Display detail information for current account.

	2019 Actual	2020 Actual	2021 Budget	2022 Budget	\$ Change	% Change
0191488 LIABILITY INSURANCE						
5702 UNEMPLOYMENT COMPENSATION	72,433	46,356	150,000	150,000	0	0.00%
5750 INSURANCE: OFFICIALS LIABILITY	53,855	66,766	55,000	55,000	0	0.00%
5751 PROPERTY INSURANCE	283,544	299,505	297,443	358,000	60,557	20.36%
0191488 LIABILITY INSURANCE APPROPRIATION TOTAL	409,831	412,628	502,443	563,000	60,557	12.05%
OFFSETS	(20,625)	(20,625)	(20,625)	(20,625)	0	0.00%
0191488 LIABILITY INSURANCE TAXATION TOTAL	389,206	392,003	481,818	542,375	60,557	12.57%

TOWN OF ARLINGTON
LEGAL DEPARTMENT

Administration of:
Workers' Compensation
Line of Duty Injuries



50 Pleasant Street
Arlington, MA 02476
781-316-3154
Fax: 781-316-3159

MEMO

To: Insurance Subcommittee
Adam Chapdelaine, Town Manager

From: Michael C. Cunningham

Re: FY22 Workers' Compensation Budget

Dated: March 12, 2021

A. Covered Employees

The Town is required to cover all full-time, part-time, temporary, seasonal and on-call employees pursuant to the provision of the Massachusetts Workers' Compensation law (General Laws Chapter 152). This includes all School Department employees but excludes Police Officers and Firefighters. Uniformed Police and Fire Department employees are covered by separate line-of-duty wage replacement and medical indemnity statutes. Injury related payments for police and fire are directed out of the respective departments but the entire claims handling process is managed through this department.

B. Present Status of the FY21 Budget

As of March 12, 2021, the Workers' Compensation budget has expended \$282,999.26 of its \$540,000 FY21 budget. These expenditures represent payments for weekly compensation indemnity benefits pursuant to Chapter 152, §34 (temporary total disability payments), §35 (temporary partial disability payments), §34A (permanent and total disability payments), §31 (widows benefits), §§13 & 30 (hospital and medical benefits) and departmental related costs.

The following information is provided pursuant to (and constrained by) the various state and federal privacy laws. The weekly indemnity payroll for FY21 to date has averaged \$5,541.21 and presently stands at \$5,326.77 per week. The present weekly amount is somewhat low, but within the expected range of fiscal year budget projections. The weekly indemnity payroll will likely increase as more Town employees return to in-person work when pandemic

related restrictions are eased. As for medical payments, they have averaged approximately \$1,219.25 per week. This amount is a reduction in medical related expenses from the costs of prior years, but those expenses are also expected to increase as more Town employees return to in-person work. The nature of workers' compensation coverage lends itself to medical and indemnity monetary deviations, but in the past year, the wide reaching impacts of the pandemic have created more variability than ever. We expect that indemnity and medical costs will increase and return to more "normal" levels in the remainder of FY 21 and into FY22.

An additional driver of costs in FY22, as noted in previous years, is that medical expenditures continue to be pressured by the increased use and availability of sophisticated medical diagnostics and treatment within the Town's geographic area. The Executive Office of Health and Human Services has statutory authority to establish rates of payment for hospitals and health care providers for services covered by insurers and other purchasers under the Workers' Compensation Act. While it is commonly accepted that rates will increase, there has been a general slowing in the percentage thereof. Under Massachusetts workers compensation law, a fiscal year payment for causally related medical treatment includes new claims as well as statutorily mandated payments that follow the injured employee whether active, inactive or retired.

In an effort to recoup paid costs, this department pursues subrogation claims, when appropriate, against third party tortfeasors. Subrogation claims are instituted against third parties whose conduct or actions either caused or contributed to an injury sustained by a Town employee. All subrogation recovery checks are made payable to the Town of Arlington and are forwarded to the Town Treasurer for deposit into the Town's General Fund. Additionally, the department regularly contests liability claims, resulting in significant direct cost and long term savings. Further cost savings to the Town are obtained through medical services bill negotiation and rate reduction for Town employee workers' compensation (including the School Department) and Police and Fire line-of-duty claims.

In an effort to anticipate further medical costs for the remainder of FY21, we note that at present, there are no Town employees who are scheduled or expected to undergo a work-related surgical intervention prior to the end of this fiscal year. So far in FY21, there have been two lump sum settlement agreements, one for \$25,000 and a second for \$30,000. Both settlements were fair and reasonable and will help the Town reduce its weekly compensation indemnity payments. The second settlement was finalized this week and has not yet been funded.

Given the existing weekly indemnity payments, projected hospital, medical, rehabilitative costs, redemption of liability expense and pending litigation claims analysis, it is projected that the department will stay within budget at the end of FY21.

There is presently \$5,956.59 remaining in the Workers' Compensation Reserve Fund. It is noted that transfers into the Fund are down significantly in FY21 to date, also likely related to COVID-19 related factors. WC Reserve Fund transfers into the Fund total \$35,198.07 to date in FY21. By comparison, transfers into the WC Reserve Fund in FY20 totaled \$119,292.71. In addition to sound fundamental self-insurance claim reserves practice, another purpose of the Reserve Fund is to fund liability redemption for claims having occurred in previous fiscal years.

A substantial portion of the present Reserve Fund is already dedicated to anticipated redemption of liability pending presentment before the Department of Industrial accidents. There always exists a necessity to restore claim loss reserves to appropriate levels. Liability redemption and statutory functional loss reserve payments are anticipated to deplete the entire existing fund amounts by the end of this present fiscal year. It is therefore recommended that any remaining balance in the Workers' Compensation Expense Account at the end of FY21 be used to continue to adequately and appropriately fund the Workers' Compensation Reserve Fund as contemplated and allowed by the Workers' Compensation statute. Given the uneven nature of annual claim losses, this fiscally responsible practice has served the Town well for many years.

C. FY 2022 Budget

The following assumptions have been made: (1) the number of employees covered under the Massachusetts Workers' Compensation Act will remain essentially the same on both the School and Town side, (2) the nature and essential job functions of the existing employees will remain the same, (3) the number of "standard" hours worked by employees will remain the same, (4) the manual labor force employees' average standard overtime hours will remain constant given the Town's projected projects and winter storm conditions, (5) the average age of the Town employee will remain essentially the same, (6) given the present state of the economy, it is presumed that the maximum average weekly wage in the Commonwealth of Massachusetts will not increase greater than 3% above the existing \$1,487.78 [weekly indemnity ceiling set each October 1st by the Department of Industrial Accidents], (7) Town and School District employee's average weekly wage increase will not exceed 3%, (8) the workers' compensation weekly indemnity statutory rate (60% of average weekly wage) will remain the same, (9) hospital/medical HHS reimbursement rates will not exceed the state's previously set 3.6% benchmark, and (10) the increase in the costs of non-rated medical services will not exceed ten percent.

Taking into consideration all of the standard claims/loss factors as well as the nature of the Town's specific workers' compensation experience rates over the past decade (inclusive of the factors previously detailed), it is projected that the costs associated with the existing claims (including inactive and retired employee claim tails but excluding claims redeemed) and the anticipated new compensable injuries will result in FY22 payments that return to near or above FY20 levels, after a FY21 reduction, caused in large part by a reduction of time spent by Town employees at in-person work. Accordingly, it is recommended that \$540,000 is an appropriate FY22 budget for Workers' Compensation. This figure provides an appropriate amount for projected FY22 claims, funds loss reserves, addresses potential litigation claims/loss exposure and provides funds for the appropriate redemption of existing claims.

Breakdown of Unemployment Claims by reason

	School		Town	Totals	
Fraud	38	Fraud	18	56	27%
Resignation/terms	27	Resigned/Terminated	11	38	18%
Non-renewal	11	N/A	0	11	5%
Laid-Off (After School program)	24	Laid Off	5	29	14%
Lack of Work (Coaches, Community Ed)	36	Lack of Work	2	38	18%
Subs with reasonable assurance	20	Reduced Hours	3	23	11%
Misc	17	COVID Loa	1	18	8%
	<hr/> 173		<hr/> 40	<hr/> 213	
	0.78%		0.22%		

Unemployment

0191488 - 5702

Date	Name	Payments	Remaining Balance	Notes
	Beginning Balance		\$150,000.00	
	Transfers In from 2020	-\$103,643.67	\$253,643.67	
	Transfers Out 11/12/2020	\$21,523.06	\$232,120.61	
8/26/2020	Services for 3 months (July)	\$1,445.00	\$230,675.61	
10/5/2020	March 2020 Payment	\$8,566.83	\$222,108.78	
10/5/2020	April 2020 Payment	\$35,442.98	\$186,665.80	
10/5/2020	May 2020 Payment	\$36,631.39	\$150,034.41	
10/22/2020	June 2020 Payment	\$60,383.12	\$89,651.29	
10/22/2020	July 2020 Payment	-\$23,312.18	\$112,963.47	
11/10/2020	August 2020 Payment	\$36,508.15	\$76,455.32	
11/10/2020	Services for 3 months (October)	\$1,445.00	\$75,010.32	Audited 12/1/2020
2/25/2021	Services for 3 months (January)	\$1,445.00	\$73,565.32	
3/16/2021	September 2020 Payment	\$25,875.83	\$47,689.49	
3/16/2021	October 2020 Payment	\$23,666.10	\$24,023.39	
3/16/2021	November 2020 Payment	\$15,967.72	\$8,055.67	
3/16/2021	December 2020 Payment	-\$207.09	\$8,262.76	
Projected/Not Paid	January 2021 Payment	\$ 12,414.41	(\$4,151.65)	
Projected/Not Paid	February 2021 Payment	\$ 1,292.67	(\$5,444.32)	
Projected/Not Paid	Services for 6 months (3rd & 4th Qtr)	\$2,890.00	(\$8,334.32)	
Projected/Not Paid	March 2021 Payment	\$10,000.00	(\$15,444.32)	
Projected/Not Paid	April 2021 Payment	\$10,000.00	(\$25,444.32)	
Projected/Not Paid	May 2021 Payment	\$10,000.00	(\$35,444.32)	
Projected/Not Paid	June 2021 Payment	\$10,000.00	(\$45,444.32)	
			(\$45,444.32)	
			(\$45,444.32)	
	Total		(\$45,444.32)	
		\$280,454.93		